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Attorneys for Defendants Deepak Chopra,
William F. Ballhaus, Jr., David Feinberg,
Steven C. Good, Meyer Luskin, and Ajay
Mehra and Nominal Defendant OSI
Systems, Inc.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

MARC HAGAN, derivatively on
behalf of OSI SYSTEMS, INC.,

Plaintiff,

v.

DEEPAK CHOPRA, WILLIAM F.
BALLHAUS, JR., DAVID
FEINBERG, STEVEN C. GOOD,
MEYER LUSKIN, and AJAY
MEHRA,

Defendants,

- and -

OSI SYSTEMS, INC., a Delaware
corporation,

Nominal Defendant.

Case No. 2:14-cv-02910 MWF (VBKx)
**STIPULATION TO STAY
PROCEEDINGS AND TO APPOINT
CO-LEAD COUNSEL**

1 Plaintiff Marc Hagan (“Plaintiff”); Defendants Deepak Chopra, William F.
 2 Ballhaus, Jr., David Feinberg, Steven C. Good, Meyer Luskin, and Ajay Mehra
 3 (the “Individual Defendants”); and Nominal Defendant OSI Systems, Inc. (“OSI”
 4 or the “Company”), by and through their respective undersigned counsel, hereby
 5 stipulate as follows.

6 **STIPULATION**

7 WHEREAS, on December 12, 2013, a putative securities class action,
 8 captioned *Roberti v. OSI Systems, Inc., et al.*, No. 13-cv-09174-MWF (VBKx) (the
 9 “Securities Class Action”), was filed against OSI, Deepak Chopra and Alan Edrick
 10 (the “Class Action Defendants”) alleging violations of Sections 10(b) and 20(a) of
 11 the Securities Exchange Act of 1934 based on purportedly false and misleading
 12 statements made by OSI between January 2012 and December 2013 about its
 13 products and contracts with the Transportation Security Administration (“TSA”) of
 14 the U.S. Department of Homeland Security;

15 WHEREAS, on April 2, 2014, the Court entered a scheduling order in the
 16 Securities Class Action providing that the Lead Plaintiff shall file its Amended
 17 Complaint no later than May 20, 2014; the Class Action Defendants shall file their
 18 motion(s) to dismiss the Amended Complaint no later than July 18, 2014; and the
 19 hearing on the motion(s) to dismiss shall be held on November 3, 2014.

20 WHEREAS, on April 15, 2014, Plaintiff Marc Hagan filed the above-
 21 captioned shareholder derivative action (the “*Hagan* Derivative Action”), alleging
 22 claims on behalf of the Company against several of the same parties, and based on
 23 many of the same events and transactions that are the subject of the Securities
 24 Class Action, as set forth more fully in Plaintiff’s Notice of Related Case [Dkt. No.
 25 5];

1 WHEREAS, the parties agree that, in light of the substantial overlap
2 between the facts and issues in the *Hagan* Derivative Action and the Securities
3 Class Action, the resolution of the motion(s) to dismiss in the Securities Class
4 Action may impact the manner in which the *Hagan* Derivative Action is
5 prosecuted;

6 WHEREAS, Defendants further believe that simultaneously litigating the
7 *Hagan* Derivative Action and the Securities Class Action could lead to certain
8 inefficiencies and that judicial resources and the resources of the parties will be
9 better served in this case with the limited, agreed-to stay;

10 WHEREAS, in light of the foregoing, and to avoid the unnecessary
11 expenditure of judicial resources or effort by the parties and this Court prior to the
12 resolution of the motion(s) to dismiss in the Securities Class Action, the parties to
13 the *Hagan* Derivative Action mutually agree that all proceedings in this action,
14 including motions practice and discovery, should be stayed until such time as
15 Defendants' forthcoming motion(s) to dismiss in the Securities Class Action are
16 resolved;

17 WHEREAS, the parties further agree that the *Hagan* Derivative Action
18 should be designated the lead derivative action and should govern later-filed,
19 related actions arising out of the same or substantially the same transactions or
20 events as this case, which are filed in, removed to, or transferred to this Court.

21 WHEREAS, to establish a leadership structure for Plaintiffs and ensure that
22 agreements Defendants reach with plaintiffs are binding on plaintiffs in all related
23 derivative actions, Co-Lead Counsel for plaintiffs for the conduct of this action and
24 any subsequent consolidated actions shall be: Bottini & Bottini, Inc. and The
25 Shuman Law Firm. Defendants take no position on the appointment of Plaintiffs'
26 Co-Lead Counsel.

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1 WHEREAS, the parties agree that for efficiency and to avoid possible
 2 duplication, plaintiffs Co-Lead Counsel shall have sole authority to speak for
 3 plaintiffs in matters regarding pre-trial procedures, trial, settlement and make all
 4 work assignments. No motion, request or other pre-trial or trial proceeding shall
 5 be initiated or filed by any plaintiff except through plaintiffs' Co-Lead Counsel.

6 WHEREAS, Defendants' counsel may rely upon all agreements made with
 7 either plaintiffs' Co-Lead Counsel, or other duly authorized representative of
 8 plaintiffs' Co-Lead Counsel, and such agreements shall be binding on all plaintiffs.

9 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by
 10 and among the parties, through their undersigned counsel of record, as follows:

- 11 1. All proceedings, discovery, and deadlines in the *Hagan* Derivative
 12 Action (including deadlines for Defendants to respond to the
 13 Complaint) shall be stayed pending the Court's entry of a ruling on
 14 the initial motion(s) to dismiss the Securities Class Action.
- 15 2. Counsel for the parties shall meet and confer concerning further
 16 proceedings in the *Hagan* Derivative Action within ten (10) days of
 17 the Court's ruling on the first or initial motions(s) to dismiss the
 18 Securities Class Action to discuss proposed next steps for this action.
- 19 3. If the Court declines to approve this requested stay of proceedings,
 20 counsel for the parties shall meet and confer and, within ten (10) days,
 21 shall submit a proposed scheduling order setting forth future dates for
 22 Defendants to file their responsive pleadings and a proposed briefing
 23 schedule.
- 24 4. This stay is without prejudice to the right of any party to either move
 25 to lift the stay or seek a further stay of the *Hagan* Derivative Action,
 26 or any other relief as may be appropriate and warranted.

5. Bottini & Bottini, Inc. and The Shuman Law Firm are designated as Co-Lead Counsel for Plaintiff.

6. This Order shall apply to each purported shareholder derivative action that arises out of the same or substantially the same transactions or events as the *Hagan* Derivative Action that is subsequently filed in, removed to, or transferred to this Court.

7. When a case that properly should be consolidated with the *Hagan* Derivative Action is hereafter filed in this Court or transferred here from another court, counsel shall promptly call to the attention of the Clerk of the Court the filing or transfer of such case. All such related derivative actions shall be consolidated with this action.

8. Every paper filed in the consolidated action shall bear the following caption:

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

IN RE OSI SYSTEMS, INC.
DERIVATIVE LITIGATION

Lead Case No. 2:14-cv-02910

This Document Relates To:

Derivative Action

ALL ACTIONS

9. The files of the consolidated actions will be maintained in one file under Lead Case No. 2:14-cv-02910.

IT IS SO STIPULATED.

1 Dated: May 22, 2014

LATHAM & WATKINS LLP

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*Attorneys for Individual Defendants &
Nominal Defendant OSI Systems, Inc.*

14 Dated: May 22, 2014

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Attorneys for Plaintiff Marc Hagan

22 Dated: May 22, 2014

THE SHUMAN LAW FIRM

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Attorneys for Plaintiff Marc Hagan

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Signature Attestation

I certify that I obtained concurrence in the filing of this document from all parties whose electronic signatures appear above.

Dated: May 22, 2014

By: /s/ Peter A. Wald
Peter A. Wald